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Assurance

Unbundled Network Element and Line Sharing Examination

Verizon Communications, Inc.

January 29, 2001



January 29, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TWB-204
Washington, D.C. 20554

Arthur Andersen LLP

1345 Avenue of the Americas
New York NY 10105-0032
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Re: Ex Parte

In re Application of GTE Corp., Transferor, and Bell Atlantic Corporation, Transferee For Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License CC Docket No. 98-184

The enclosed materials are being filed pursuant to Verizon Communications, Inc.'s ("Verizon") obligations under Appendix D, Section VIII, Paragraph 27 of the above referenced docket to obtain an independent audit of its compliance with the Commission's unbundled network element and line sharing rules. Please note that the Commission extended the original filing deadline to January 29, 2001, by letter from Carol E. Matthey dated December 21, 2000. The accompanying material includes:

- Report of Independent Public Accountants on Management's Assertions Regarding Compliance with the FCC's Unbundled Network Element and Line Sharing Rules
- Report of Independent Public Accountants on Management's Assertions Regarding the Effectiveness of Controls Over Compliance with the FCC's Unbundled Network Element and Line Sharing Rules
- Report of Management on Compliance with the FCC's Unbundled Network Element and Line Sharing Rules
- Report of Management on the Effectiveness Controls over Compliance with the FCC's Unbundled Network Element and Line Sharing Rules
- Letter from Carol E. Matthey dated December 21, 2000

Pursuant to paragraph 28(a)(5) this audit report is to be publicly filed with the Secretary of the Commission. Therefore, this distribution is not limited.

Very truly yours,

A handwritten signature in black ink that reads "Arthur Andersen LLP". The signature is written in a cursive, flowing style.

ARTHUR ANDERSEN LLP

Enclosures

cc: Ms. C. Matthey
Mr. H. Boyle
Mr. A. Dale
Mr. M. Stephens

Report of Independent Public Accountants

To the Board of Directors of Verizon Communications, Inc. and
the Federal Communications Commission

We have examined management's assertion, included in the accompanying Report of Management on Compliance with the Federal Communication Commission's ("FCC") Unbundled Network Element and Line Sharing Rules, that Verizon Communications, Inc. ("the Company") complied with the rules regarding the provision of unbundled network elements and line sharing as set forth in the FCC's *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Notice of Proposed Rulemaking, CC Docket No. 96-98, FCC 99-238 (rel. Nov. 5, 1999) ("*UNE Remand Order*") and *Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98, FCC 99-355 (rel. Dec. 9, 1999) ("*Line Sharing Order*") and in Title 47 C.F.R. §§ 51.230, 51.231, 51.232, 51.233, 51.307, 51.309, 51.311(a)-(b) and (d)-(e), 51.313, 51.315(a)-(b), 51.317, and 51.319 and Section 13 of Appendix D of the FCC's Memorandum Opinion and Order in CC Docket No. 98-184 ("the Merger Conditions") (collectively the FCC's "Unbundled Network Element and Line Sharing Rules") for the period July 1, 2000 through October 31, 2000. Management is responsible for the Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with the FCC's Unbundled Network Element and Line Sharing Rules and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with the FCC's Unbundled Network Element and Line Sharing Rules.

Our examination disclosed the following noncompliance with certain FCC Unbundled Network Element and Line Sharing Rules specified above applicable to the Company during the period July 1, 2000 through October 31, 2000:


- As discussed in management's assertion, item 5, the Company must provide nondiscriminatory access to unbundled network elements on terms and conditions that are just, reasonable and nondiscriminatory. We noted instances where the Company did not bill



for unbundled network elements in accordance with either the rate established in approved tariffs or interconnection agreements.

- As discussed in management's assertion, item 14, the Company is required to provide nondiscriminatory access to unbundled network elements including dark fiber. In its UNE Remand Order, the FCC prohibits the reservation of dark fiber except where the incumbent local exchange carrier demonstrates to the relevant state commission that such a reservation is necessary in order to satisfy its obligation as carrier of last resort. The Company has not made the necessary demonstration before the relevant commissions in most of the states in which it operates. However, we noted the Company's standard proposal offered to carriers during interconnection agreement negotiations since August 29, 2000 contains a clause which limits the requesting carrier to leasing a maximum of 25% of the dark fiber in any given segment of the Company's network during any two-year period.
- As discussed in management's assertion, item 14, the Company is required to provide nondiscriminatory access to its operational support systems including access to the same detailed information about the loop available to the Company. The FCC's Unbundled Network Element and Line Sharing Rules require that such line information be made available to requesting carriers during the pre-order process and that access to such information should be in the same manner as the Company. We noted that one of the Company's loop qualification product offerings available to the requesting carrier takes place in the order, rather than the pre-order process. We also noted the Company maintains an electronic database that contains detailed line information about a limited number of loops. This information is accessible by both the Company and requesting carriers. Employees of the Company, though not the customer service representatives, may access the information in this database electronically. However, this line information is only accessible to requesting carriers through a manual process.

The Company's compliance with the FCC's Unbundled Network Element and Line Sharing Rules considers the Company's understanding of the Merger Conditions. Section 1 of the Merger Conditions addresses the provision of unbundled network element and line sharing services during the "functional equivalency period" subsequent to the merger between Bell Atlantic and GTE. During this period, advanced services were being transitioned from the Company's incumbent local exchange carrier to the Company's advanced services affiliate. The Company's position is that the scope of the audit of the FCC's Unbundled Network Element and Line Sharing Rules does not include compliance with the requirements of Section 1. Accordingly, we did not design our examination to provide assurance with respect to the operations of the advanced services affiliate as prescribed in Section 1 of the Merger Conditions.



In our opinion, except for certain instances of noncompliance described in the third paragraph and considering the Company's understanding of the Merger Conditions as described above, management's assertion that the Company complied with the FCC's Unbundled Network Element and Line Sharing Rules during the period July 1, 2000 through October 31, 2000, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Directors and management of the Company and the FCC and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen LLP

New York, New York
January 29, 2001

Report of Independent Public Accountants

To the Board of Directors of Verizon Communications, Inc. and
the Federal Communications Commission

We have examined management's assertion, included in the accompanying Report of Management on the Effectiveness of Controls over Compliance with the Federal Communication Commission's ("FCC") Unbundled Network Element and Line Sharing Rules, that Verizon Communications, Inc. ("the Company") maintained effective internal controls over compliance with the rules regarding the provision of unbundled network elements and line sharing as set forth in the FCC's *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Notice of Proposed Rulemaking, CC Docket No. 96-98, FCC 99-238 (rel. Nov. 5, 1999) ("*UNE Remand Order*") and *Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98, FCC 99-355 (rel. Dec. 9, 1999) ("*Line Sharing Order*") and in Title 47 C.F.R. §§ 51.230, 51.231, 51.232, 51.233, 51.307, 51.309, 51.311(a)-(b) and (d)-(e), 51.313, 51.315(a)-(b), 51.317, and 51.319 and Section 13 of Appendix D of the FCC's Memorandum Opinion and Order in CC Docket No. 98-184 ("the Merger Conditions") (collectively the FCC's "Unbundled Network Element and Line Sharing Rules") for the period July 1, 2000 through October 31, 2000. Management is responsible for maintaining effective internal controls over compliance with those requirements. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of the internal controls over compliance with the FCC's Unbundled Network Element and Line Sharing Rules, testing and evaluating the design and operating effectiveness of the internal controls, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Because of the inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal controls over compliance with the FCC's Unbundled Network Element and Line Sharing Rules to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the internal controls may deteriorate.

The Company's internal controls have been designed to comply with the FCC's Unbundled Network Element and Line Sharing Rules and the Merger Conditions, as understood by the Company. Section 1 of the Merger Conditions addresses the provision of unbundled network element and line sharing services during the "functional equivalency period" subsequent to the merger between Bell Atlantic and GTE. During this period, advanced services were being transitioned from the Company's incumbent local exchange carrier to the Company's advanced services affiliate. The Company's position is that the scope of the audit of the FCC's Unbundled Network Element and Line Sharing Rules does not include compliance with the requirements of Section 1. Accordingly, we did not design our examination to provide assurance with respect to the operations of the advanced services affiliate as prescribed in Section 1 of the Merger Conditions.

In our opinion, considering the Company's understanding of the Merger Conditions as described above, management's assertion that the Company's internal controls over compliance with the FCC's Unbundled Network Element and Line Sharing Rules were effective in providing reasonable assurance that the Company complied with the FCC's Unbundled Network Element and Line Sharing Rules for the period from July 1, 2000 through October 31, 2000, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Directors and management of the Company and the FCC and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Arthur Andersen LLP".

New York, New York
January 29, 2001

Report of Management on Compliance with the FCC's Unbundled Network Element and Line Sharing Rules

Management of Verizon Communications Inc. ("Verizon") is responsible for ensuring the Company's¹ compliance with the Federal Communications Commission's ("FCC's") rules regarding the provision of unbundled network elements and line sharing, as codified in 47 C.F.R. §§ 51.230, 51.231, 51.232, 51.233, 51.307, 51.309, 51.311(a)-(b) and (d)-(e), 51.313, 51.315(a)-(b), 51.317, and 51.319, and as set forth in the FCC's *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Notice of Proposed Rulemaking*, CC Docket No. 96-98, FCC 99-238 (rel. Nov. 5, 1999) ("*UNE Remand Order*") and *Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order* in CC Docket No. 98-147 and *Fourth Report and Order* in CC Docket No. 96-98, FCC 99-355 (rel. Dec. 9, 1999) ("*Line Sharing Order*"), until the date of a final, non-appealable judicial decision providing that the unbundled network element or combination of unbundled network elements is not required to be provided by the Company in the relevant geographic area.²

Management has performed an evaluation of the Company's compliance with the requirements of the FCC's unbundled network element and line sharing rules, including those described below, for the period July 1, 2000 through October 31, 2000 (the "Evaluation Period"). Based on this evaluation, we assert that during the Evaluation Period, the Company complied with all requirements of the FCC's unbundled network element and line sharing rules, and merger conditions 8 and 13, to the extent effective during the Evaluation period. In particular, the Company did the following;

- (1) **Deployment of Advanced Services Loop Technology** – The Company did not deny a carrier's request to deploy advanced services loop technology that complies with existing industry standards, is approved by an industry standards body, the Commission, or any state commission, or has been successfully deployed by any carrier without significantly degrading the performance of other services. (§51.230)

¹ The word "Company" or "Companies" used throughout this assertion refers to the Verizon telephone companies operating as incumbent local exchange carriers ("ILECs"), collectively as follows; Contel of Minnesota, Inc. d/b/a Verizon Minnesota, Contel of the South, Inc. d/b/a Verizon Mid-States, GTE Alaska Incorporated d/b/a Verizon Alaska, GTE Arkansas Incorporated d/b/a Verizon Arkansas, GTE Midwest Incorporated d/b/a Verizon Midwest, GTE Southwest Incorporated d/b/a Verizon Southwest, Verizon California Inc., Verizon Delaware Inc., Verizon Florida Inc., Verizon Hawaii Inc., Verizon Maryland Inc., Verizon New England Inc., Verizon New Jersey Inc., Verizon New York Inc., Verizon North Inc., Verizon Northwest Inc., Verizon Pennsylvania Inc., Verizon South Inc., Verizon Virginia Inc., Verizon Washington, DC Inc., Verizon West Coast Inc., Verizon West Virginia Inc.

² *See Application GTE Corp. and Bell Atlantic Corp. for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, CC Docket No. 98-184, Memorandum Opinion and Order, FCC 00-221 (rel. June 16, 2000) Appendix D ("Merger Conditions"), Sections 8, 13.

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- (2) **Provision of Information on Advanced Services Deployment** – The Company provided and/or was prepared to provide information to requesting carriers seeking access to the loop or high frequency portion of the loop with respect to (1) spectrum management procedures and policies, (2) the rejection of requesting carrier's provision of advanced services, with specific reasons, and (3) the number of loops using advanced services technology within the binder group and the type of technology employed on those loops. (§51.231)
- (3) **Binder Group Management** – With the exception of loops on which a known disturber technology was deployed, the Company did not designate, segregate, or reserve particular loops or binder groups for use solely by any particular advanced services loop technology. (§51.232)
- (4) **Degradation of Services Caused By Deployment of Advanced Services** – The Company was prepared to notify carriers if their advanced services significantly degraded the performance of other advanced services or traditional voiceband services and to allow them a reasonable opportunity to correct the problem. If notified by another carrier that the Company's advanced services were degrading the performance of other carriers' services, the Company was prepared to respond and correct, if necessary, any degradation. (§51.233)
- (5) **Access to Unbundled Network Elements** – The Company provided nondiscriminatory access to network elements to requesting telecommunications carriers on an unbundled basis at any technically feasible point on terms and conditions that are just, reasonable, and nondiscriminatory in accordance with the terms and conditions of any agreement, the requirements of sections 251 and 252 of the Act, and the Commission's rules. In some instances, the charges for unbundled network elements were billed incorrectly. In some states, the Company's billing system is not capable of assessing charges for unbundled network elements at different rate levels for different carriers in the same state. To avoid overbilling in those states, the Company billed all carriers at the lowest rate for an unbundled network element in any interconnection agreement in each state. (§51.307(a))
- (6) **Technical Information About Unbundled Network Elements** – The Company provided requesting carriers technical information about the Company's network facilities sufficient to allow the requesting carrier to achieve access to unbundled network elements. (§51.307(e))
- (7) **Use of Unbundled Network Elements** – The Company did not impose limitations, restrictions, or requirements on requests for, or the use of, unbundled network elements that would impair the ability of a requesting telecommunications carrier to offer a telecommunications service in the manner the requesting telecommunications carrier intends. (§51.309(a))
- (8) **Quality of Unbundled Network Elements** – The Company provided the same quality of unbundled network elements as well as the same quality of access to unbundled network elements to all requesting telecommunications carriers, and at

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least equal to the quality of unbundled network elements as well as the quality of access to such unbundled network elements that the Company provides to itself. (§51.311(a), (b))

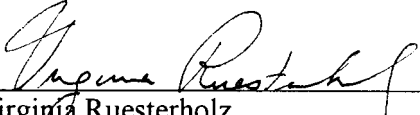
- (9) **Previously Successful Access to Unbundled Network Elements** – The Company treated previously successful access to an unbundled network element at a particular point in the network, using particular facilities, or at a particular level of quality, as substantial evidence that access is technically feasible at that point, or at that level of quality, in networks employing substantially similar facilities. (§51.311(d), (e))
- (10) **Terms and Conditions of Access to Unbundled Network Elements** – Where applicable, the terms and conditions pursuant to which the Company provided access to unbundled network elements, including, but not limited to, the time within which the Company provided such access to unbundled network elements, were no less favorable to the requesting carrier than the terms and conditions under which the Company provides such elements to itself. (§51.313(b))
- (11) **Access to Operations Support Systems** – The Company provided carriers purchasing access to unbundled network elements with the pre-ordering, ordering, provisioning, maintenance and repair, and billing functions of the Company's operations support systems. §51.313(c))
- (12) **Combinations of Unbundled Network Elements** – The Company has allowed telecommunications carriers to combine unbundled network elements to provide telecommunications services. The Company has not separated requested unbundled network elements that the Company currently combines. (§51.315(a), (b))
- (13) **Standards for Identifying Unbundled Network Elements** – The Company provided access to proprietary and non-proprietary network elements that meet the Commission's "necessary" and "impair" standards as defined in the Commission's rules. (§51.317)
- (14) **Specific Requirements for Unbundled Network Elements** – The Company provided nondiscriminatory access, in accordance with §51.311 and section 251(c)(3) of the Act, to the following unbundled network elements; (1) local loop and sub-loop; (2) network interface device; (3) switching capability; (4) interoffice transmission facilities; (5) signaling networks and call-related databases; (6) operator services and directory assistance (where customized routing or a compatible signaling protocol is not provided); (7) operations support systems including access to the same detailed information about the loop that is available to the Company; and (8) the high frequency portion of the loop. During the audit period, the Company provided automated loop qualification data during the pre-order process for certain loops that describe the loop length and that provide an indication whether the loop is capable of supporting xDSL service and the reason for any incompatibility with xDSL service. For certain loops, only manual loop qualification information was available with the loop order; this information will be made available in the future as a pre-ordering function. The Company also offered to develop a means of electronic access to

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information in a loop facility assignment database. In the Company's standard or "model" proposed interconnection agreement, an individual carrier is limited to no more than 25 percent of the available dark fiber in a particular interoffice facility. This is only a proposed agreement, and carriers may choose not to agree and to negotiate or arbitrate an alternative provision. The Company has voluntarily entered into post-merger interconnection agreements that do not contain this limitation. Carriers can adopt such agreements under the "most favored nation" provisions of Section 9 of the Merger Conditions. (§51.319)

Verizon Communications Inc.



Virginia Ruesterholz
Senior Vice President – Wholesale Markets

Dated: January 29, 2001

**Report of Management on the Effectiveness of
Controls over Compliance with the FCC's
Unbundled Network Element and Line Sharing Rules**

Management of Verizon Communications Inc. ("Verizon") is responsible for establishing and maintaining effective internal controls over the Company's¹ compliance with the Federal Communications Commission's ("FCC's") rules regarding the provision of unbundled network elements and line sharing, as codified in 47 C.F.R. §§ 51.230, 51.231, 51.232, 51.233, 51.307, 51.309, 51.311(a)-(b) and (d)-(e), 51.313, 51.315(a)-(b), 51.317, and 51.319, and as set forth in the FCC's *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Notice of Proposed Rulemaking*, CC Docket No. 96-98, FCC 99-238 (rel. Nov. 5, 1999) ("*UNE Remand Order*") and *Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order* in CC Docket No. 98-147 and *Fourth Report and Order* in CC Docket No. 96-98, FCC 99-355 (rel. Dec. 9, 1999) ("*Line Sharing Order*"), (collectively, the "UNE/Line Sharing Rules") until the date of a final, non-appealable judicial decision providing that the unbundled network element or combination of unbundled network elements is not required to be provided by the Company in the relevant geographic area.²

The Company's internal controls have been designed to comply with the UNE/Line Sharing Rules. There are inherent limitations in any control, including the possibility of human error and the circumvention or overriding of the controls. Accordingly, even effective controls can provide only reasonable assurance with respect to the achievement of the objectives of controls. Further, because of changes in conditions, the effectiveness of controls may vary over time.

The Company has determined that the objectives of the internal controls with respect to compliance with the UNE/Line Sharing Rules are to provide reasonable, but not absolute, assurance that compliance with the UNE/Line Sharing Rules has been achieved.

¹ The word "Company" in this assertion refers to the Verizon telephone companies operating as incumbent local exchange carriers ("ILECs"), collectively as follows; Contel of Minnesota, Inc. d/b/a Verizon Minnesota, Contel of the South, Inc. d/b/a Verizon Mid-States, GTE Alaska Incorporated d/b/a Verizon Alaska, GTE Arkansas Incorporated d/b/a Verizon Arkansas, GTE Midwest Incorporated d/b/a Verizon Midwest, GTE Southwest Incorporated d/b/a Verizon Southwest, Verizon California Inc., Verizon Delaware Inc., Verizon Florida Inc., Verizon Hawaii Inc., Verizon Maryland Inc., Verizon New England Inc., Verizon New Jersey Inc., Verizon New York Inc., Verizon North Inc., Verizon Northwest Inc., Verizon Pennsylvania Inc., Verizon South Inc., Verizon Virginia Inc., Verizon Washington, DC Inc., Verizon West Coast Inc., Verizon West Virginia Inc.

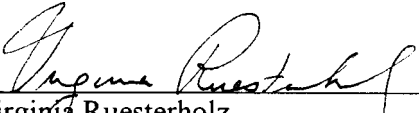
² *See Application GTE Corp. and Bell Atlantic Corp. for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, CC Docket No. 98-184, Memorandum Opinion and Order, FCC 00-221 (rel. June 16, 2000) Appendix D ("Merger Conditions"), Sections 8, 13.

**Report of Management on the Effectiveness of Controls over Compliance with the
FCC's Unbundled Network Element and Line Sharing Rules**

January 29, 2001

The Company has assessed its internal controls over compliance with the UNE/Line Sharing Rules. Based on this assessment, the Company asserts that for the period July 1, 2000 through October 31, 2000 (the "Evaluation Period"), its internal controls over compliance with the UNE/Line Sharing Rules were effective in providing reasonable assurance that the Company has complied with the UNE/Line Sharing Rules and Sections 8 and 13 of the Merger Conditions.

Verizon Communications Inc.



Virginia Ruesterholz
Senior Vice President – Wholesale Markets

Dated: January 29, 2001

FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

December 21, 2000

Mr. Jeffrey Ward
Senior Vice President
Regulatory Compliance
Verizon Communications, Inc.
1310 North Court House Road
Arlington, VA 22201

RE: *Bell Atlantic/GTE Merger Order*, CC Docket No. 98-184, ASD File No. 00-30

Dear Mr. Ward:

This letter grants the request of Verizon Communications, Inc. ("Verizon") for an extension of time from December 27, 2000 to January 29, 2001 for submission of one audit report required by Condition VIII of the *Bell Atlantic/GTE Merger Order*.¹

The Commission adopted Condition VIII, *Collocation, Unbundled Network Elements, and Line Sharing Compliance*, in the *Bell Atlantic/GTE Merger Order*² to help reduce barriers to local competition after the merger. The Commission required Verizon to obtain an independent audit of Verizon's compliance with the Commission's rules for unbundled network elements ("UNEs") and line sharing.³ The independent auditor must be acceptable to the Common Carrier Bureau ("Bureau"), which oversees the required audits.⁴ Pursuant to the schedule established in the *Merger Conditions*, Verizon must submit the audit report to the Commission by December 27, 2000. The Chief of the Common Carrier Bureau may extend the audit deadline "upon a request and showing of good cause" by Verizon.⁵

As required by the *Merger Conditions*, Verizon's independent auditor had sought interpretations of the Commission's UNE and line sharing requirements. In addition, the Bureau's audit staff raised questions with the independent auditor concerning a number of operational issues related to the audit. The ensuing discussions between the Bureau and the independent auditors lasted longer than anticipated.

¹ GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, For Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License, *Memorandum Opinion and Order*, FCC 00-221 (rel. Jun. 16, 2000) ("*Bell Atlantic/GTE Merger Order*"). The *Merger Conditions* are contained in Appendix D.

² Letter from Jeffrey Wm Ward, Senior Vice President, Regulatory Compliance, Verizon Communications, Inc., to Carol E. Matthey, Deputy Chief, Common Carrier Bureau, FCC (Dec. 19, 2000).

³ *Bell Atlantic/GTE Merger Order* at paras. 297-99; *see id.* at Appendix D, para. 28 (describing independent audit requirements for the UNE/Line Sharing compliance audit).

⁴ *Id.* at para. 338.

⁵ *Id.* at Appendix D, para. 62.

In light of the delay caused by the need for interpretations and discussion of operations issues in recent weeks, the Bureau is granting the requested extension of time for the UNE/Line Sharing compliance audit from December 27, 2000 to January 29, 2001.⁶ The Commission and the public are relying on the independent auditor to perform a thorough and systematic evaluation of Verizon's compliance with the UNE and line sharing requirements. The additional time will enable the independent auditor to complete its evaluation and prepare a report presenting its opinion of Verizon's compliance with the UNE and line sharing requirements.

Please do not hesitate to contact me if I can be of further assistance. You may also contact Anthony Dale in the Common Carrier Bureau directly at (202) 418-2260 for further information on this matter.

Sincerely,

Carol E. Matthey
Deputy Chief, Common Carrier Bureau

⁶ Under the *Merger Conditions*, the deadline for submission of the Collocation compliance audit report is January 29, 2001. See *Bell Atlantic/GTE Merger Order* at Appendix D, para. 27(c)(5).

